

521G.3 Definitions.

For purposes of this chapter, unless the context otherwise requires:

1. “*Domestic insurer*” means an insurer domiciled in this state and organized under chapter 508 or 515.

2. “*Fair value*” of an asset or liability means the amount at which that asset or liability could be bought or incurred, or sold or settled, in a current transaction between willing parties, other than in a forced or liquidation sale, and as determined under section 521G.4.

3. “*Fully funded*” means, with respect to any exposure attributed to a protected cell, that the fair value of the protected cell assets, on the date on which the insurance securitization is effected, equals or exceeds the maximum possible exposure attributable to the protected cell with respect to such exposures.

4. “*General account*” means the assets and liabilities of a protected cell company other than protected cell assets and protected cell liabilities.

5. “*Indemnity trigger*” means a transaction term by which relief of the issuer’s obligation to repay investors is triggered by its incurring a specified level of losses under its insurance or reinsurance contracts.

6. “*Nonindemnity trigger*” means a transaction term by which relief of the issuer’s obligation to repay investors is triggered solely by some event or condition other than the individual protected cell company incurring a specified level of losses under its insurance or reinsurance contracts.

7. “*Protected cell*” means an identified pool of assets and liabilities of a protected cell company segregated and insulated as provided under this chapter from the remainder of the protected cell company’s assets and liabilities.

8. “*Protected cell account*” means a specifically identified bank or custodial account established by a protected cell company for the purpose of segregating the protected cell assets of one protected cell from the protected cell assets of other protected cells and from the assets of the protected cell company’s general account.

9. “*Protected cell assets*” means all assets, contract rights, and general intangibles, identified with and attributable to a specific protected cell of a protected cell company.

10. “*Protected cell company*” means a domestic insurer that has one or more protected cells.

11. “*Protected cell company insurance securitization*” means the issuance of a debt instrument, the proceeds from which support the exposures attributed to a protected cell, by a protected cell company where repayment of principal or interest, or both, to investors pursuant to the transaction terms is contingent upon the occurrence or nonoccurrence of an event with respect to which the protected cell company is exposed to loss under insurance or reinsurance contracts which the protected cell company has issued.

12. “*Protected cell liabilities*” means all liabilities and other obligations identified with and attributable to a specific protected cell of a protected cell company.

2000 Acts, ch 1046, §3